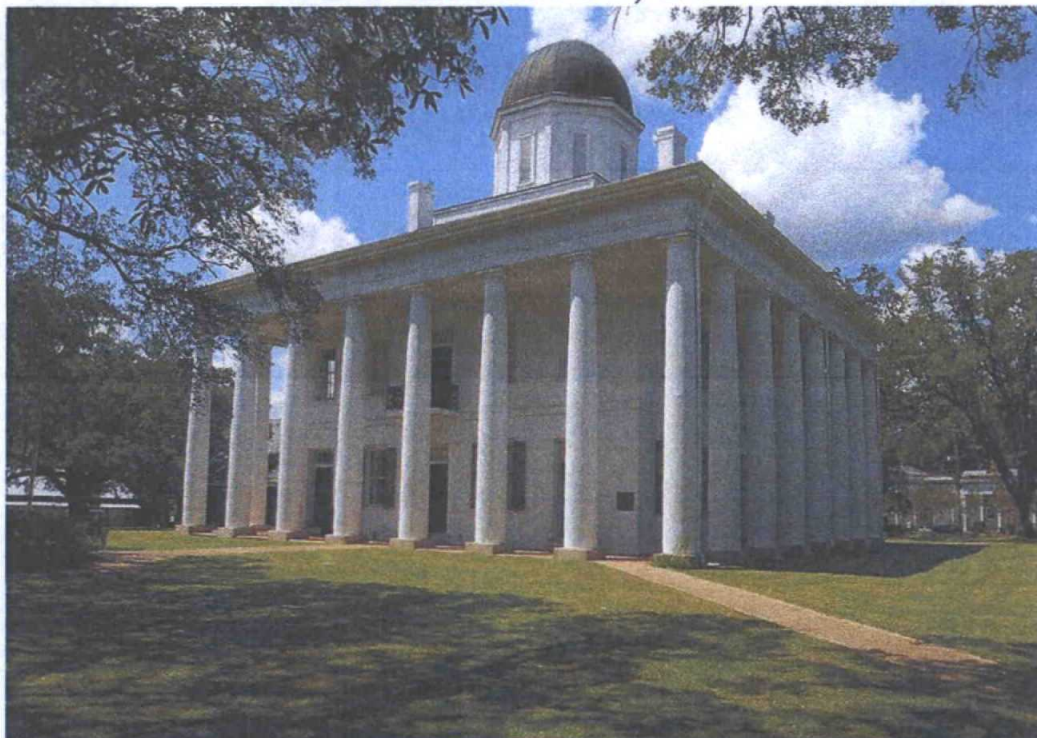


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TOWN OF CLINTON, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

DECEMBER 31, 2013



East Feliciana Parish Courthouse Circa 1840

Mayor

Lori Ann Bell

Board of Aldermen

Johnny Beauchamp
George Kilbourne
Clovis Matthews, Sr.
Lisa Davis Washington
Kim Wilson Young

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date FEB 25 2015

**TOWN OF CLINTON, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013**

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**TOWN OF CLINTON, LOUISIANA
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2013**

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BASIC FINANCIAL STATEMENTS

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

.....
3121 Van Buren Street, Suite A
P. O. Box 30
Baker, Louisiana 70704-0030
Phone (225) 775-4982 * Fax (800) 641-1317
marysue@marysuestagescpa.com

Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center

INDEPENDENT AUDITORS' REPORT

The Honorable Lori Ann Bell, Mayor
and Members of the Board of Alderpersons
Town of Clinton, Louisiana
P. O. Box 513
Clinton, Louisiana 70722

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Clinton, Louisiana as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town of Clinton, Louisiana's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the component unit financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Clinton, Louisiana as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

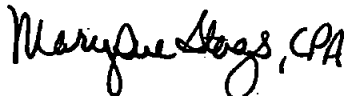
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule be presented to supplement the component unit financial statements. Such information, although not a part of the component unit financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the component unit financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the component unit financial statements and other knowledge we obtained during our audit of the component unit financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters - Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Clinton's basic financial statements. The schedule of compensation paid to governing members and comparative schedules of operating expenses - proprietary funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements of to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation paid to governing members and comparative schedules of operating expenses - proprietary funds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2014, on our consideration of the Town of Clinton, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Clinton, Louisiana's internal control over financial reporting and compliance.



Mary Sue Stages, CPA
A Professional Accounting Corporation
Baker, LA
July 30, 2014

REQUIRED SUPPLEMENTARY INFORMATION
(PART 1 OF 2)

**TOWN OF CLINTON, LOUISIANA
MANAGEMENTS' DISCUSSION AND ANALYSIS
DECEMBER 31, 2013**

As management of the Town of Clinton, Louisiana (hereinafter referred to as the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the two years ended December 31, 2013. The emphasis of discussions about these statements will be on current year data and should be read in conjunction with the financial report as a whole.

ACCOMPLISHMENTS OVER THE PAST YEAR

- ◆ Assets exceeded liabilities by \$3,786,914 at December 31, 2013
- ◆ Across all funds, the Town increased its net position by \$13,434

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. They are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changes during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, economic development and culture and recreation. The business-type activities of the Town include water, gas and sewer services.

The government-wide financial statements can be found on pages 13-15 of this report.

**TOWN OF CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2013**

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the street and sidewalks fund, both of which are considered to be major funds.

The Town adopts an annual budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

The governmental funds financial statements can be found on pages 17-22 of this report.

Proprietary funds. The Town maintains only one type of proprietary fund – enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its utilities (water, gas and sewer). Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary funds financial statements can be found on pages 23-27 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. An index to the notes to the financial statements can be found on page 29 with actual notes immediately following:

**TOWN OF CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2013**

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town's budgetary comparison schedules for its major governmental funds. This required supplementary information can be found immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the Town's net position:

	Summary of Net Position Governmental Activities	
	<u>2013</u>	<u>2012</u>
ASSETS		
Current and other assets	\$ 367,658.04	\$ 285,170.55
Restricted assets	405,008.82	338,418.48
Capital assets, net	<u>1,976,563.66</u>	<u>2,059,040.01</u>
Total Assets	2,749,230.52	2,682,629.04
DEFERRED OUTFLOWS		
	.00	.00
LIABILITIES		
Current liabilities	141,579.30	213,640.46
Long-term liabilities	<u>760,000.00</u>	<u>760,000.00</u>
Total Liabilities	901,579.30	973,640.46
DEFERRED INFLOWS		
	<u>.00</u>	<u>.00</u>
NET POSITION		
Net investment in capital assets	1,216,563.66	1,299,040.01
Restricted	401,785.80	680,093.26
Unrestricted	<u>229,301.76</u>	<u>(270,144.69)</u>
Total Net Position	<u>1,847,651.22</u>	<u>1,708,988.58</u>

**TOWN OF CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2013**

**Summary of Net Position
Business-type Activities**

	<u>2013</u>	<u>2012</u>
ASSETS		
Current and other assets	\$ 221,218.34	\$ 253,581.60
Restricted assets	1,312.42	4,461.11
Capital assets, net	<u>1,760,178.53</u>	<u>1,852,083.77</u>
 Total Assets	 1,982,709.29	 2,110,126.48
 DEFERRED OUTFLOWS	 .00	 .00
 LIABILITIES		
Current liabilities	43,446.21	45,634.66
 DEFERRED INFLOWS	 <u>.00</u>	 <u>.00</u>
 NET POSITION		
Net investment in capital assets	1,760,178.53	1,852,083.77
Restricted	1,312.42	4,461.11
Unrestricted	<u>177,772.13</u>	<u>207,946.94</u>
 Total Net Position	 <u>1,939,263.08</u>	 <u>2,064,491.82</u>

By far the largest portion of the Town's net position reflects its investment in capital assets (e.g. land, buildings, improvements, streets and bridges, equipment, vehicles, utility systems and furniture and fixtures), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. It is the remaining balance of net position, considered unrestricted, that may be used to meet the government's on-going obligations to citizens and creditors. At December 31, 2013, the Town had a combined unrestricted net position of \$385,719.

TOWN OF CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2013

A summary of changes in net position follows.

	<u>2013</u>	<u>2012</u>
Summary of Changes in Net Position Governmental Activities		
REVENUES		
Charges for services	\$ 473,882.06	\$ 298,126.83
Grants and Contributions:		
Operating	.00	15,499.04
Capital	.00	49,000.00
General Revenues:		
Licenses and permits	101,080.52	101,652.38
Franchise fees	98,568.98	80,951.47
Taxes	496,759.68	526,250.21
Interest earned	6,988.07	1,210.45
Other revenues	16,506.06	61,711.66
Transfers	<u>133,000.00</u>	<u>6,000.00</u>
Total Revenues	1,326,785.37	1,140,402.04
EXPENSES		
General government	204,580.18	209,851.22
Public safety	779,547.30	817,052.73
Public works	182,758.32	225,119.46
Interest on long-term debt	<u>21,236.93</u>	<u>.00</u>
Total Expenses	<u>1,188,122.73</u>	<u>1,252,023.41</u>
Change in Net Position	138,662.64	(111,621.37)
Net Position, beginning of year	<u>1,708,988.58</u>	<u>1,820,609.95</u>
Net Position, end of year -	<u>1,847,651.22</u>	<u>1,708,988.58</u>

**TOWN OF CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2013**

**Summary of Changes in Net Position
Business-type Activities**

	<u>2013</u>	<u>2012</u>
REVENUES		
Charges for services	\$ 760,591.46	\$ 653,602.98
Grants and contributions	45.00	91,569.07
Other revenues/transfers, net	(130,083.12)	(6,000.00)
Total Revenues	630,553.34	739,172.05
EXPENSES		
Gas services	316,911.89	266,660.76
Water services	253,285.09	209,786.01
Sewer services	185,585.10	179,515.22
Total Expenses	755,782.08	655,961.99
Change in Net Position	(125,228.74)	83,210.06
Net Position, beginning of year	2,064,491.82	1,981,281.76
Net Position, end of year	<u>1,939,263.08</u>	<u>2,064,491.82</u>

BUDGETARY HIGHLIGHTS

Revenues for the general fund were \$163,260 or 18.8% more than anticipated, a result primarily of traffic fines. Revenues of the special revenue fund were \$72,663 or 30.9% less than expected. This negative variance was due to decreased sales tax. Expenditures of the general fund were \$96,880 or 8.9% less than budgeted amounts. Expenditures of the special revenue fund were \$113,974 or 4.95% less than was budgeted for the year. Overall, the general and special revenue funds ended the year with an increase in fund balances of \$66,381 and \$41,311, respectively, more than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2013, amounted to \$2,976,742 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, improvements, streets and sidewalks, equipment vehicles, utility systems and furniture and fixtures.

The Town acquired a vehicle during 2013. There were also improvements to the sewer system.

**TOWN OF CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2013**

Capital assets are detailed in the following table.

**Summary of Capital Assets
(net of depreciation)**

	Governmental Activities	
	<u>2013</u>	<u>2012</u>
Land	\$ 1,000.00	\$ 1,000.00
Buildings	814,194.12	842,766.95
Infrastructure	1,020,262.60	1,077,970.32
Equipment	56,017.89	65,524.85
Vehicles	80,272.01	66,559.43
Furniture and fixtures	4,817.04	5,218.46
Net Capital Assets	<u>1,976,563.66</u>	<u>2,059,040.01</u>

	Business-Type Activities	
	<u>2013</u>	<u>2012</u>
Land	\$ 11,970.00	\$ 11,970.00
Buildings	83,869.37	88,352.27
Equipment	21,428.57	26,194.13
Vehicles	5,180.00	9,105.00
Utilities	1,637,730.59	1,716,462.37
Net Capital Assets	<u>1,760,178.53</u>	<u>1,852,083.77</u>

Capital asset events during the past year included the following:

- police unit fully equipped, at a cost of \$50,744
- sewer enhancements continued at \$31,748 during the current year

**TOWN OF CLINTON, LOUISIANA
MANAGEMENT'S DISCUSSION & ANALYSIS
DECEMBER 31, 2013**

Debt Administration. At the end of the current year, the Town had no long-term debt related to its business-type activities, i.e. utilities.

In October of 2012, the Town adopted an ordinance for the issuance of \$760,000 in Limited Tax Bonds, Series 2012 for the purchase of a fire station. Repayment of these bonds will be through the levy of a special tax of 6.65 mills. The bonds will mature over nine years, beginning in 2014, at an interest rate of 2.49%. Interest paid/accrued during the current year totaled \$21,237.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town will continue to seek grants and other contributions to fund its capital improvements as well as enhance police protection to its citizens. Policies and procedures will be thoroughly reviewed to ensure that best practices are followed that will enhance internal controls and compliance with applicable laws and regulations.

The Town will closely monitor its revenues and expenses as it works towards decreasing the negative change in net position and improving its cash flows.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to 11209 Bank Street, Clinton, La. 70722, (225) 683-5531.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF CLINTON, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 33,966.03	\$ 107,976.02	\$ 141,942.05
Receivables, net	228,617.03	52,787.38	281,404.41
Due from other governmental agencies	935.07	-	935.07
Due from other funds	45,011.05	46,032.54	91,043.59
Prepaid expenses	59,128.86	14,422.40	73,551.26
Restricted assets:			
Cash and cash equivalents	309,644.94	1,312.42	310,957.36
Investments	95,363.88	-	95,363.88
Capital assets, net of depreciation	1,976,563.66	1,760,178.53	3,736,742.19
Total Assets	2,749,230.52	1,982,709.29	4,731,939.81
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
	-	-	-
<u>LIABILITIES</u>			
Accounts payable	23,032.97	37,891.31	60,924.28
Payroll related payables	21,089.61	4,242.48	25,332.09
Accrued interest payable	6,413.13	-	6,413.13
Due to other funds	91,043.59	-	91,043.59
Payables from restricted assets:			
Customer deposits	-	1,312.42	1,312.42
Bonds payable:			
Due within one year	73,000.00	-	73,000.00
Long-term portion	687,000.00	-	687,000.00
Total Liabilities	901,579.30	43,446.21	945,025.51
<u>DEFERRED INFLOWS OF RESOURCES</u>			
	-	-	-

Continued

TOWN OF CLINTON, LOUISIANA
STATEMENT OF NET POSITION (Continued)
DECEMBER 31, 2013

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<u>NET POSITION</u>			
Net investment in capital assets	\$ 1,216,563.66	\$ 1,760,178.53	\$ 2,976,742.19
Retricted for:			
Customer deposits	-	1,312.42	1,312.42
Streets and sidewalks	399,770.00	-	399,770.00
Public safety	2,015.80	-	2,015.80
Unrestricted	229,301.76	177,772.13	407,073.89
	<hr/>		
Total Net Position	1,847,651.22	1,939,263.08	3,786,914.30
	<hr/>		

See Accompanying Notes and Independent Auditors' Report.

**TOWN OF CLINTON, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses)</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Governmental Activities							
General government	\$ 204,580.18	\$ 14,586.00	\$ -	\$ -	\$ (189,994.18)	\$ -	\$ (189,994.18)
Public safety	779,547.30	457,096.06	-	-	(322,451.24)	-	(322,451.24)
Public works	182,758.32	2,200.00	-	-	(180,558.32)	-	(180,558.32)
Interest on long-term debt	21,236.93	-	-	-	(21,236.93)	-	(21,236.93)
Total Governmental Activities	1,188,122.73	473,882.06	-	-	(714,240.67)	-	(714,240.67)
Business-type Activities							
Gas services	316,911.89	281,643.69	-	-	-	(35,268.20)	(35,268.20)
Water services	253,285.09	268,746.26	45.00	-	-	15,506.17	15,506.17
Sewer services	185,585.10	195,430.74	-	-	-	9,845.64	9,845.64
Late fees/penalties	-	14,770.77	-	-	-	14,770.77	14,770.77
Total Business-type Activities	755,782.08	760,591.46	45.00	-	-	4,854.38	4,854.38
Total Primary Government	1,943,904.81	1,234,473.52	45.00	-	(714,240.67)	4,854.38	(709,386.29)
General Revenues and Transfers							
Licenses and permits					101,080.52	-	101,080.52
Franchise fees					98,568.98	-	98,568.98
Taxes					496,759.68	-	496,759.68
Interest earned					6,988.07	-	6,988.07
Other revenues					16,506.06	2,916.88	19,422.94
Transfers					133,000.00	(133,000.00)	-
Total General Revenues and Transfers					852,903.31	(130,083.12)	722,820.19
Change in Net Position					138,662.64	(125,228.74)	13,433.90
Net Position, beginning					1,708,988.58	2,064,491.82	3,773,480.40
Net Position, ending					1,847,651.22	1,939,263.08	3,786,914.30

See Accompanying Notes and Independent Auditors' Report

FUND FINANCIAL STATEMENTS

**TOWN OF CLINTON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013**

	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 33,966.03	\$ -	\$ 33,966.03
Receivables, net:			
Franchise fees	26,040.73	-	26,040.73
Property taxes	177,644.33	-	177,644.33
Sales taxes	10,970.07	13,961.90	24,931.97
Due from other governmental agencies	935.07	-	935.07
Due from other funds	-	45,011.05	45,011.05
Prepaid expenses	55,447.02	3,681.84	59,128.86
Restricted assets:			
Cash and cash equivalents	-	309,644.94	309,644.94
Investments	-	95,363.88	95,363.88
TOTAL ASSETS	305,003.25	467,663.61	772,666.86

LIABILITIES AND FUND BALANCES

Liabilities			
Accounts payable	22,288.12	744.85	23,032.97
Payroll related payables	20,373.28	716.33	21,089.61
Accrued interest payable	6,413.13	-	6,413.13
Due to other funds	91,043.59	-	91,043.59
Total Liabilities	140,118.12	1,461.18	141,579.30

Continued

TOWN OF CLINTON, LOUISIANA
BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
Fund Balances			
Restricted for:			
Streets and sidewalks	\$ -	\$ 466,202.43	\$ 466,202.43
Public safety	2,015.80	-	2,015.80
Unassigned	162,869.33	-	162,869.33
	<hr/>		
Total Fund Balances	164,885.13	466,202.43	631,087.56
	<hr/>		
TOTAL LIABILITIES AND FUND BALANCES	305,003.25	467,663.61	772,666.86
	<hr/>		

See Accompanying Notes and Independent Auditors' Report

**TOWN OF CLINTON, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2013**

Total Fund Balances - Total Governmental Funds	\$ 631,087.56
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Amounts reported for governmental activities in the
Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.	1,976,563.66
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Long-term obligations incurred are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.	<u>(760,000.00)</u>
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Total Net Position of Governmental Activities	<u><u>1,847,651.22</u></u>
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See Accompanying Notes and Independent Auditors' Report

TOWN OF CLINTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013

	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Fines and other court costs	\$ 457,096.06	\$ -	\$ 457,096.06
Franchise fees	98,568.98	-	98,568.98
Interest	6,323.25	664.82	6,988.07
Intergovernmental revenues	-	2,200.00	2,200.00
Licenses and permits	101,080.52	-	101,080.52
Motor vehicle fees	14,586.00	-	14,586.00
Other revenues	13,939.11	366.95	14,306.06
Sale of capital assets	2,200.00	-	2,200.00
Taxes - beer	3,873.87	-	3,873.87
Taxes - property	209,533.23	-	209,533.23
Taxes - sales	124,847.10	158,505.48	283,352.58
Total Revenues	1,032,048.12	161,737.25	1,193,785.37
<u>EXPENDITURES</u>			
General government	193,886.50	-	193,886.50
Public safety:			
Police	680,150.38	-	680,150.38
Fire	43,302.68	-	43,302.68
Public works	-	116,325.89	116,325.89
Debt service:			
Interest	21,236.93	-	21,236.93
Capital outlay	50,744.00	-	50,744.00
Total Expenditures	989,320.49	116,325.89	1,105,646.38
Excess of Revenues over Expenditures Before Other Financing Sources (Uses)	42,727.63	45,411.36	88,138.99

TOWN OF CLINTON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (Continued)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2013

	<u>General</u>	<u>Streets and Sidewalks</u>	<u>Total Governmental Funds</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers, net	\$ 133,000.00	\$ -	\$ 133,000.00
Change in Fund Balances	175,727.63	45,411.36	221,138.99
Fund Balances (Deficit), beginning	(10,842.50)	420,791.07	409,948.57
Fund Balances, ending	164,885.13	466,202.43	631,087.56

See Accompanying Notes and Independent Auditors' Report

**TOWN OF CLINTON, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2013**

Net Change in Fund Balances - Total Governmental Funds	\$ 221,138.99
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Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation charged differed from capital outlay in the current period.	(82,476.35)
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Governmental funds report proceeds from bonds and other like indebtedness as revenues. However, in the Statement of Activities, only the interest portion of any payments made is recognized as an expense. This is the amount of bond proceeds net of any principal payments made reported in the current year.	-
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Change in Net Position of Governmental Activities	<u>138,662.64</u>
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**TOWN OF CLINTON, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2013**

	<u>Enterprise Funds</u> <u>Utility</u>
<u>ASSETS</u>	
Current Assets	
Cash and cash equivalents	\$ 107,976.02
Receivables, net	25,506.32
Unbilled receivables	27,281.06
Prepaid expenses	14,422.40
Due from other funds	<u>46,032.54</u>
Total Current Assets	221,218.34
Restricted Assets	
Cash and cash equivalents	<u>1,312.42</u>
Total Restricted Assets	1,312.42
Capital Assets	
Land	11,970.00
Buildings	150,545.70
Equipment	104,933.56
Vehicles	43,433.50
Gas system	1,629,985.52
Water system	1,047,647.26
Sewer system	2,237,738.68
Less: Accumulated depreciation	<u>(3,466,075.69)</u>
Net Capital Assets	<u>1,760,178.53</u>
Total Assets	1,982,709.29

DEFERRED OUTFLOWS OF RESOURCES

TOWN OF CLINTON, LOUISIANA
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
DECEMBER 31, 2013

	<u>Enterprise Funds</u> <u>Utility</u>
<u>LIABILITIES</u>	
Current Liabilities	
Payable from current assets:	
Accounts payable	\$ 37,891.31
Payroll related payables	<u>4,242.48</u>
Total Current Liabilities, Payable from Current Assets	42,133.79
Payable from restricted assets:	
Customer deposits	<u>1,312.42</u>
Total Current Liabilities, Payable from Restricted Assets	<u>1,312.42</u>
Total Current Liabilities/Total Liabilities	43,446.21
<u>DEFERRED INFLOWS OF RESOURCES</u>	<u>-</u>
<u>NET POSITION</u>	
Net investment in capital assets	1,760,178.53
Restricted for customer deposits	1,312.42
Unrestricted	<u>177,772.13</u>
Total Net Position	<u><u>1,939,263.08</u></u>

See Accompanying Notes and Independent Auditors' Report

TOWN OF CLINTON, LOUISIANA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>Enterprise Funds</u>	
	<u>Utility</u>	
	<u>2013</u>	<u>2012</u>
<u>OPERATING REVENUES</u>		
Gas sales and service	\$ 281,643.69	\$ 246,495.47
Water sales and service	268,746.26	227,031.73
Sewer sales and service	195,430.74	169,476.47
Late fees/penalties	14,770.77	10,599.31
Total Operating Revenues	760,591.46	653,602.98
<u>OPERATING EXPENSES</u>		
Personal services	323,547.38	184,140.79
Employee and related expenses	261,887.70	280,306.82
Occupancy	29,171.79	54,727.21
Administrative	17,522.15	8,668.44
Depreciation	123,653.06	128,118.73
Total Operating Expenses	755,782.08	655,961.99
Operating Income (Loss)	4,809.38	(2,359.01)
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Grants and other contributions	45.00	91,569.07
Other revenues	2,916.88	-
Operating transfers, net	(133,000.00)	(6,000.00)
Total Non-Operating Revenues (Expenses)	(130,038.12)	85,569.07
Change in Net Position	(125,228.74)	83,210.06
Total Net Position, beginning	2,064,491.82	1,981,281.76
Total Net Position, ending	1,939,263.08	2,064,491.82

See Accompanying Notes and Independent Auditors' Report

**TOWN OF CLINTON, LOUISIANA
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>Enterprise Funds</u>	
	<u>Utility</u>	
	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 760,746.53	\$ 652,263.83
Cash paid to employees for services	(268,834.20)	(272,058.72)
Cash paid to suppliers for goods and services	(376,756.97)	(254,881.11)
Net Cash Provided by Operating Activities	115,155.36	125,324.00
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Loans/repayments made to/from other funds	34,267.60	(82,170.23)
Grant proceeds	45.00	-
Miscellaneous revenues received	2,916.88	-
Operating transfers	(133,000.00)	(6,000.00)
Net Cash Used for Non-Capital Financing Activities	(95,770.52)	(88,170.23)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(31,747.83)	(167,233.55)
Cash received from grantors	-	91,569.07
Net Cash Used for Capital and Related Financing Activities	(31,747.83)	(75,664.48)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
Decrease in Cash and Cash Equivalents	(12,362.99)	(38,510.71)
Cash and Cash Equivalents, beginning	121,651.43	160,162.14
Cash and Cash Equivalents, ending	109,288.44	121,651.43
CASH PRESENTATION OF STATEMENT OF NET ASSETS:		
Current Assets: Cash and cash equivalents	\$ 107,976.02	
Restricted Assets: Cash and cash equivalents	1,312.42	
Cash and Cash Equivalents, end of year	109,288.44	

Continued

TOWN OF CLINTON, LOUISIANA
COMPARATIVE STATEMENTS OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>Enterprise Funds</u>	
	<u>Utility</u>	
	<u>2013</u>	<u>2012</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 4,809.38	\$ (2,359.01)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	123,653.07	128,118.73
(Increase) decrease in assets:		
Accounts receivable	3,303.76	2,388.84
Prepaid expenses	(14,422.40)	-
Increase (decrease) in liabilities:		
Accounts payable	7,906.75	(7,344.67)
Payroll related payables	(6,946.51)	8,248.10
Customer deposits	(3,148.69)	(3,727.99)
Net Cash Provided by Operating Activities	<u>115,155.36</u>	<u>125,324.00</u>

See Accompanying Notes and Independent Auditors' Report

NOTES TO FINANCIAL STATEMENTS

**TOWN OF CLINTON, LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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**TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

INTRODUCTION

The Town of Clinton, Louisiana (hereafter referred to as the Town) was incorporated on March 9, 1852, under the provisions of the Special Charter Act 120 of 1852. The Town operates under a Mayor-Board of Alderperson form of government. The charter was amended in 1996 to allow larger fines to be assessed by the Mayor's court. It was also amended in 2003 to recognize duties and authority within the Police Department where the charter previously recognized a Town Marshal. This was done to be consistent with the creation of a Police Department in 1993.

The citizens of the Town elect the Mayor and five Alderpersons at large every four years. They are compensated for their services.

The purpose of the municipality is to promote the general welfare and the safety, health, peace, good order, comfort, convenience and morals of its inhabitants. The Town provides fire and police protection, street maintenance, gas, water and sewer services.

The Town is situated in the northwest part of East Feliciana Parish. It is approximately 2.0 square miles in size with a population of approximately 2,000 persons. Within the boundaries are approximately 15 miles of roads maintained by the Town. It is currently servicing about 901 customers through its utility department and employs 40 persons including reserve officers.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practice of the Town conforms to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513 and to the guidelines set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity: Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Town includes all funds which are controlled by or dependent on the Town which was determined on the basis of oversight responsibility, including accountability for fiscal and budget matters, designation of management or governing authority and authority to issue debt. Certain units of local government over which the Town exercises no oversight responsibility, such as the parish police jury, parish school board, and other independently elected officials, and other municipalities within the parish, are excluded from the accompanying financial statements.

These units of government are considered separate reporting entities and issue financial statements separate from those of the Town.

TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Government-Wide Accounting: In accordance with Statement No. 63 of the Government Accounting Standards Board, the Town has presented a statement of net position and statement of activities for the Town as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. Those funds are reported separately. Government-wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity

Inter-fund receivables and payables are eliminated in the statement of net position except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function is eliminated in the statement of activities. Allocated expenses are reported by the function to which they were allocated.

Capitalizing Assets

Tangible and/or intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the statement of net position. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to unrestricted net position.

Under the requirements of GASB Statement No. 34, the Town is considered a Phase 3 government, as its total annual revenues were less than \$10 million. Such governments were not required to report major general infrastructure assets retroactively back to 1982, during implementation of Statement No. 34. The Town opted not to retroactively report these types of capital assets.

Program Revenues

The statement of activities presents three categories of program revenues – (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Town. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for a specific use.

**TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Direct/Indirect Expenses

Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Town has chosen not to do so.

Operating Revenues

Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Town's operation of providing water, gas and sewer services are considered operating revenues. All other revenues, which are reported as cash flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Restricted Net Position

Restricted net position are those for which a constraint has been imposed either externally or by law. The Town recognizes the use of restricted resources for expenditures that comply with the specific restrictions. Restricted resources are exhausted before unrestricted net position are used.

Fund Accounting: The Town uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the Town are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds: Governmental funds account for all or most of the Town's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund – the general operating fund of the Town accounting for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Funds: Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

**TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Proprietary funds include:

1. Enterprise Funds – account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Basis of Accounting/Measurement Focus: Its type of financial statement presentation determines the accounting and financial reporting treatment applied to a fund.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of governmental-type and business-type activities are included in the Statement of Net Position. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. Non-exchange transactions such as property taxes and grants are recognized in the year for which the taxes were levied or when the eligibility requirements are met. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Revenues are recognized when measurable and available, and expenditures are recorded when the related fund liability is incurred. An exception is unmatured principal and interest on general long-term debt which is recognized when due. The Town considers all revenues available if they are collected within sixty days after year-end. Expenditures for capital assets are reported as current expenses, and such assets are not depreciated.

Budgets and Budgetary Accounting: The Town adopts an annual budget for all of its funds prepared in accordance with the basis of accounting utilized by that fund. The Board of Alderpersons must approve any revisions that alter the total expenditures and are passed on an as-needed basis. A balanced budget is required.

Cash and Cash Equivalents: Cash includes amounts in demand deposits, interest bearing demand deposits and certificates of deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of ninety days or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Investments: Investments are limited by Louisiana Revised Statute 33:2955. If the original maturities of investments exceed ninety days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. The Town has two certificates of deposit that were renewed in December with maturities of one year. The balances and interest rates are \$44,044.87 at .65% and \$51,319.01 at .70%.

Prepaid Expenses: Prepaid expenses include premiums paid on insurance policies for terms that extend beyond year-end and overpaid payroll taxes. The amount reported of \$25,972.85 represents the unexpired terms of the Town's liability insurance. The balance of \$29,474.17 represents payroll taxes overpaid during the year but refunded in 2014.

Restricted Assets: Certain cash and investments are classified as restricted because law or donor restriction limits their use. Components of these at December 31, 2013, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Demand deposits		
Customer deposits	\$.00	\$ 1,312.42
Operations	309,644.94	.00
Certificates of deposit		
Operations	95,363.88	.00
	<u>405,008.82</u>	<u>1,312.42</u>

Capital Assets: The Town's assets are recorded at historical cost. Contributed assets, if any, are reported at estimated fair value at the time of the donation. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Buildings	40 years	Vehicles	7-10 years
Equipment	4-10 years	Infrastructure	20-50 years
Office furniture	5-7 years		

The Town's capitalization policy includes adding all assets with a value of \$1,000 or more. However, assets that are less in value may be capitalized if their use will benefit more than one period and tracking is desired such as is the case with weapons or radio equipment.

Compensated Absences: The Town does not have any compensated absences to report.

Long-Term Obligations: In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the statement of net position. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Net Position/Fund Balances: In the statement of net position, the difference between a government's assets, deferred outflows of resources, liabilities and deferred inflows of resources is recorded as net position. The three components of net position are as follows:

Net Investment in Capital Assets

This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. These are usually restricted by external sources such as banks or by law.

Unrestricted

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

In the balance sheet of governmental funds, fund balances are segregated as follows:

Non-spendable

This includes amounts in permanent funds and inventories that are permanently precluded from conversion to cash.

Restricted

Fund balances that are restricted include those resources constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.

Committed

Fund balances may be committed for a specific purpose by the highest level of decision-making authority through a formal action such as the adoption of an ordinance. The removal of or change in this commitment can only be accomplished by the same level of authority through the same type of action taken to commit the fund balances initially.

Assigned

Resources earmarked for a specific purpose by a government's management are reported as assigned fund balances.

Unassigned

This category represents that portion of equity that are available for any purpose.

TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Inter-fund Transactions: All inter-fund transactions, except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

Sales Taxes: The East Feliciana Parish Police Jury levies a 5% sales tax. After deducting solid waste, school board and collection fees from the gross received, the Town receives 12.4021% of the balance. Sales taxes are dedicated for street maintenance and improvements.

Property Taxes: Ad valorem taxes authorized and levied for the year were 6.65 mills. These funds are received by the general fund and are not dedicated. Total assessed value of property within the Town is approximately \$8,400,000.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

The cash and cash equivalents on hand (book balances) at December 31, 2013, are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Petty cash	\$ 100.00	\$.00
Demand deposits	<u>343,510.97</u>	<u>109,288.44</u>
Total	<u>343,610.97</u>	<u>109,288.44</u>

Of these amounts, \$309,644.94 and \$1,312.42 is restricted for governmental and business-type activities, respectively.

These deposits are stated at cost, which approximates market. Under state law, they must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2013, the Town had \$461,590 in deposits (collected balances). These funds are secured through the Federal Deposit Insurance Corporation (FDIC) and collateral pledged by participating banks.

TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 3 – RECEIVABLES

The following is a summary of receivables at December 31, 2013:

<u>Class</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Accounts	\$.00	\$.00	\$ 58,652.65	\$ 58,652.65
Taxes:				
Franchise	26,040.73	.00	.00	26,040.73
Property	177,644.33	.00	.00	177,644.33
Sales	<u>10,970.07</u>	<u>13,961.90</u>	<u>.00</u>	<u>24,931.97</u>
Sub-total	214,655.13	13,961.90	58,652.65	287,269.68
Less: Allowance for doubtful accounts	<u>.00</u>	<u>.00</u>	<u>5,865.27</u>	<u>5,865.27</u>
Net	<u>214,655.13</u>	<u>13,961.90</u>	<u>52,787.38</u>	<u>281,404.41</u>

Utility meters are read between the 18th and 25th of each month and bills are computed and mailed by the last day of the month. The amount of gas and water used from the date the meter is read until the end of the month is an unbilled receivable in the Enterprise Fund. At December 31, 2013, unbilled receivables were \$27,281.06. This amount is included in the table above.

An allowance for doubtful accounts is determined by a percentage based on prior years' experience. At December 31, 2013, the allowance was estimated to be \$5,865.27 in the Enterprise Fund.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$ 1,000.00	\$.00	\$.00	\$ 1,000.00

TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Capital Assets, being depreciated				
Buildings and improvements	978,863.48	.00	.00	978,863.48
Less: accumulated depreciation	<u>136,096.53</u>	<u>28,572.83</u>	<u>.00</u>	<u>164,669.36</u>
Net Building and Improvements	842,766.95	(28,572.83)	.00	814,194.12
Infrastructure	1,558,108.54	.00	.00	1,558,108.54
Less: accumulated depreciation	<u>480,138.22</u>	<u>57,707.72</u>	<u>.00</u>	<u>537,845.94</u>
Net Sidewalks/Drainage	1,077,970.32	(57,707.72)	.00	1,020,262.60
Equipment	328,080.31	.00	.00	328,080.31
Less: accumulated depreciation	<u>262,555.46</u>	<u>9,506.96</u>	<u>.00</u>	<u>272,062.42</u>
Net Equipment	65,524.85	(9,506.96)	.00	56,017.89
Vehicles	445,686.54	50,744.00	.00	496,430.54
Less: accumulated depreciation	<u>379,127.11</u>	<u>37,031.42</u>	<u>.00</u>	<u>416,158.53</u>
Net Vehicles	66,559.43	13,712.58	.00	80,272.01
Office furniture	8,030.55	.00	.00	8,030.55
Less: accumulated depreciation	<u>2,812.09</u>	<u>401.42</u>	<u>.00</u>	<u>3,213.51</u>
Net Office Furniture	5,218.46	(401.42)	.00	4,817.04
Total Capital Assets, being depreciated, net	<u>2,058,040.01</u>	<u>(82,476.35)</u>	<u>.00</u>	<u>1,975,563.66</u>
Capital Assets, net	<u>2,059,040.01</u>	<u>(82,476.53)</u>	<u>.00</u>	<u>1,976,563.66</u>
Business-type Activities				
Capital Assets, not being depreciated				
Land	\$ 11,970.00	\$.00	\$.00	\$ 11,970.00
Capital Assets, being depreciated				
Buildings and improvements	150,545.70	.00	.00	150,545.70
Less: accumulated depreciation	<u>62,193.43</u>	<u>4,482.90</u>	<u>.00</u>	<u>66,676.33</u>
Net Building and Improvements	88,352.27	(4,482.90)	.00	83,869.37
Equipment	104,933.56	.00	.00	104,933.56
Less: accumulated depreciation	<u>78,739.43</u>	<u>4,765.55</u>	<u>.00</u>	<u>83,504.99</u>
Net Equipment	26,194.13	(4,765.55)	.00	21,428.57
Vehicles	43,433.50	.00	.00	43,433.50
Less: accumulated depreciation	<u>34,328.50</u>	<u>3,925.00</u>	<u>.00</u>	<u>38,253.50</u>
Net Vehicles	9,105.00	(3,925.00)	.00	5,180.00

TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Gas system	1,629,985.52	.00	.00	1,629,985.52
Less: accumulated depreciation	<u>1,068,303.55</u>	<u>39,750.00</u>	<u>.00</u>	<u>1,108,053.55</u>
Net Gas System	561,681.97	(39,750.00)	.00	521,931.97
Water system	1,047,647.26	.00	.00	1,047,647.26
Less: accumulated depreciation	<u>345,175.17</u>	<u>27,979.55</u>	<u>.00</u>	<u>373,154.72</u>
Net Water System	702,472.09	(27,979.55)	.00	674,492.54
Sewer system	2,205,990.85	31,747.83	.00	2,237,738.68
Less: accumulated depreciation	<u>1,753,682.54</u>	<u>42,750.06</u>	<u>.00</u>	<u>1,796,432.60</u>
Net Sewer System	452,308.31	(11,002.23)	.00	441,306.08
Total Capital Assets, being depreciated, net	<u>1,840,113.77</u>	<u>(91,905.23)</u>	<u>.00</u>	<u>1,748,208.53</u>
Capital Assets, net	<u>1,852,083.77</u>	<u>(91,905.23)</u>	<u>.00</u>	<u>1,760,178.53</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 10,693.68
Public safety	66,432.43
Public works	<u>56,094.24</u>
Total	<u>133,220.35</u>

NOTE 5 – INTERGOVERNMENTAL RECEIVABLES/PAYABLES

Amounts due from other governmental agencies are as follows:

<i>General Fund</i>	
Beer tax	\$ <u>935.07</u>

NOTE 6 – INTER-FUND TRANSACTIONS

Amounts receivable and payable between funds at December 31, 2013, are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$.00	\$ 91,043.59
Special Revenue Funds	45,011.05	.00
Enterprise Fund	<u>46,032.54</u>	<u>.00</u>
Total	<u>91,043.59</u>	<u>91,043.59</u>

TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

These amounts represent loans made between funds for cash flow purposes. Currently, the General Fund makes monthly payments to the Sales Tax Fund based on a plan to return these dedicated funds.

NOTE 7 – ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at December 31, 2013:

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
Accounts	\$ 23,032.97	\$ 37,891.31	\$ 60,924.28
Payroll related	21,089.61	4,242.48	25,332.09
Interest	6,413.13	.00	6,413.13
Customer deposits	<u>.00</u>	<u>1,312.42</u>	<u>1,312.42</u>
Total	<u>50,535.71</u>	<u>43,446.21</u>	<u>93,981.92</u>

NOTE 8 – RETIREMENT SYSTEM

Substantially all employees of the Town are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

**TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013**

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25% of their annual covered salary, and the Town is required to contribute at an actuarially determined rate. The current rate is 18.67% of annual covered payroll, up from 17.08% in the prior year. The contribution requirements of plan members and the Town were established and may be amended by state statute. As provided by La. Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System under Plan A for the years ended December 31, 2013, 2012 and 2011, were \$19,327, \$21,936 and \$18,278, respectively, equal to the required contributions for each year.

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least twelve years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3% of their final-average salary for each year over 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual, publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained in writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the Town is required to contribute at an actuarially determined rate. Currently, that rate is 31.03% of covered payroll, an increase from 29% in the previous year. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Town's contributions to the System for the years ended December 31, 2013, 2012 and 2011, were \$24,156, \$38,296 and \$25,963, respectively, equal to the required contributions for those years.

TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 9 – LEVIED TAXES

Property tax notices are mailed during November for the current year. Taxes become delinquent after December 31st. The Town receives its property taxes through the East Feliciana Parish Police Jury who is responsible for collections. Total assessed value of real property is \$8,387,730. The principal taxpayers for the town are:

<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Percentage</u>
Felician Bank & Trust Co.	\$ 7,459,120	17.40%
Wiltel Communications	733,220	8.74%
Landmark Bank	686,900	8.19%
Bellsouth Telecommunications	370,680	4.42%
Pac Tec	242,660	2.89%
Entergy/Gulf States	87,550	1.04%
Billy Joe & Joan B. Buzbee	83,550	1.00%
AMG, LLC	79,740	.95%
C.M.A. Ltd. Partnership	63,910	.76%
CPA Ltd. Partnership	63,270	.75%

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

The Town does not offer post-employment benefits to employees upon termination.

NOTE 11 – LONG-TERM DEBT

The Town issued Limited Tax Bonds, Series 2012, in November of 2012, for the purchase of a fire station in the amount of \$760,000 at an interest rate of 2.49% maturing in March of 2022. While interest payments began in the current year, the first principal payment is not until 2014. Maturities of this long-term obligation are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 73,000	\$ 19,015.15
2015	76,000	16,160.10
2016	79,000	14,230.35
2017	81,000	12,238.45
2018	84,000	10,184.10
Remaining years	<u>367,000</u>	<u>18,687.45</u>
	<u>760,000</u>	<u>90,515.60</u>

TOWN OF CLINTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 12 – FIRE PROTECTION

Fire protection for the Town is provided by the Clinton Fire Department with funds received primarily through the Parish-wide Fire Protection District of East Feliciana Parish. This is a legally separate governmental agency that issues its own audited financial statements. During the year ended June 30, 2013, the Department expended \$129,562 in structure fees and property taxes.

NOTE 13 – COMPARATIVE DATA

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. Such information is presented in a summarized comparative format and should be read in conjunction with the Town's financial statements for the year ended December 31, 2012, from which the information was summarized.

NOTE 14 – RELATED PARTY TRANSACTIONS

There are no related party transactions that require disclosure.

NOTE 15 – LITIGATION AND CLAIMS

There are currently two lawsuits pending against the Town claiming defamation of character. Because they are in the discovery stage, the outcome cannot be determined nor the financial impact, if any.

NOTE 16 – SUBSEQUENT EVENTS

There were no events subsequent to year-end through July 30, 2014, the date on which the accompanying financial statements were available, that would have a significant impact on the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(PART 2 OF 2)

**TOWN OF CLINTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2013**

	General Fund				Streets and Sidewalks			
	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final			Original	Final		
REVENUES								
Fines and other court costs	\$ 302,241	\$ 302,241	\$ 457,096	\$ 154,855	\$ -	\$ -	\$ -	\$ -
Franchise fees	109,650	109,650	98,569	(11,081)	-	-	-	-
Grant and donations	209,000	-	-	-	-	-	-	-
Interest earned	200	200	6,323	6,123	200	200	665	465
Intergovernmental	-	-	-	-	2,200	2,200	2,200	-
Licenses and permits	105,600	105,600	101,081	(4,519)	-	-	-	-
Motor vehicle fees	15,000	-	14,586	14,586	-	-	-	-
Other revenues	14,075	14,075	16,139	2,064	52,000	52,000	367	(51,633)
Taxes-beer	4,000	4,000	3,874	(126)	-	-	-	-
Taxes-property	183,022	183,022	209,533	26,511	-	-	-	-
Taxes-sales	150,000	150,000	124,847	(25,153)	180,000	180,000	158,505	(21,495)
Total Revenues	1,092,788	868,788	1,032,048	163,260	234,400	234,400	161,737	(72,663)
EXPENDITURES								
General government	189,600	189,600	193,887	(4,287)	-	-	-	-
Public safety:								
Police	712,600	712,600	680,150	32,450	-	-	-	-
Fire	117,500	117,500	43,303	74,197	-	-	-	-

Continued

TOWN OF CLINTON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE (Continued)
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2013

	General Fund				Streets and Sidewalks			
	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
Public works	\$ -	\$ -	\$ -	\$ -	\$ 180,300	\$ 180,300	\$ 116,326	\$ 63,974
Debt service	21,500	21,500	21,237	263	-	-	-	-
Capital outlay	45,000	45,000	50,744	(5,744)	50,000	50,000	-	50,000
Total Expenditures	1,086,200	1,086,200	989,320	96,880	230,300	230,300	116,326	113,974
Excess (Deficiency) of Revenues over Expenditures Before Other Financing Sources (Uses)	6,588	(217,412)	42,728	66,381	4,100	4,100	45,411	41,311
<u>OTHER FINANCING SOURCES (USES)</u>								
Operating transfers, net	6,000	133,000	133,000	-	6,000	-	-	-
Change in Fund Balances	12,588	(84,412)	175,728	66,381	10,100	4,100	45,411	41,311
Fund Balances (Deficit), beginning	(10,843)	(10,843)	(10,843)	-	420,791	420,791	420,791	-
Fund Balances, ending	1,746	(95,255)	164,885	66,381	430,891	424,891	466,202	41,311

See Independent Auditors' Report

SUPPLEMENTARY INFORMATION

MARY SUE STAGES, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

3121 Van Buren Street, Suite A
P. O. Box 30
Baker, Louisiana 70704-0030
Phone (225) 775-4982 * Fax (800) 641-1317
office@marysuestagescpa.com

*Louisiana Society of Certified Public Accountants
American Institute of Certified Public Accountants
Association of Governmental Accountants
Governmental Audit Quality Control Center*

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND OTHER
MATTERS AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Lori Ann Bell, Mayor
and Members of the Board of Alderpersons
Town of Clinton, Louisiana
P. O. Box 513
Clinton, Louisiana 70722

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Clinton, Louisiana as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town of Clinton, Louisiana's financial statements, and have issued our report thereon dated July 30, 2014.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Clinton, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that is required to be reported under *Government Auditing Standards* and is included as findings 2013.01 and 2013.02 in the schedule of findings and responses.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Town of Clinton, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures

that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Clinton, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Clinton, Louisiana's internal control over financial reporting.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as 2013.03 to be a material weakness.

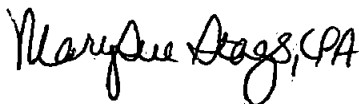
Response to Findings

The Town of Clinton, La.'s response to the findings identified in our audit is described in the accompanying schedule of findings and responses. These responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, others within the agency, the Legislative Auditor and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Mary Sue Stages, CPA
A Professional Accounting Corporation
Baker, LA
July 30, 2014

TOWN OF CLINTON, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING MEMBERS
YEARS ENDED DECEMBER 31, 2013

The schedule of compensation paid to governing members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Mayor

Lori A. Bell	\$ 9,300.00
Don Reason	<u>800.00</u>
	<u>10,100.00</u>

Board Members

Johnny Beauchamp	6,000.00
Lori A. Bell	500.00
George Kilbourne	6,000.00
Clovis Matthews	6,000.00
Lisa Davis Washington	6,000.00
Kim Young	<u>5,500.00</u>
Total Paid	<u>30,000.00</u>

See Independent Auditors' Report

TOWN OF CLINTON, LOUISIANA
COMPARATIVE SCHEDULES OF OPERATING EXPENSES
PROPRIETARY FUNDS
YEARS ENDED DECEMBER 31, 2013 AND 2012

		Enterprise Funds	
		<u>Utility</u>	
		<u>2013</u>	<u>2012</u>
<u>PERSONAL SERVICES</u>			
Gas purchases	\$	117,404.98	\$ 70,275.18
Sewer/wastewater system expense		38,223.29	29,996.05
Water system expense		80,458.50	46,933.27
Gas system expense		6,862.82	10,661.66
Auto expense		20,522.29	15,992.03
Repairs and materials		53,484.21	5,994.23
Inspection fees/licenses		6,240.68	3,864.84
Pumpage fees		350.61	423.53
Total Personal Services		323,547.38	184,140.79
<u>EMPLOYEE AND RELATED EXPENSES</u>			
Salaries		199,932.78	218,330.79
Health insurance		22,886.02	20,535.40
Payroll taxes		14,781.40	17,608.29
Retirement		11,834.45	14,487.54
Training/seminars/travel		5,134.31	2,534.60
Uniforms		7,278.74	6,120.20
Drug testing		40.00	690.00
Total Employee and Related Expenses		261,887.70	280,306.82
<u>OCCUPANCY</u>			
Insurance		25,092.82	51,938.36
Telephone		3,078.52	2,127.38
Utilities		1,000.45	661.47
Total Occupancy		29,171.79	54,727.21
<u>ADMINISTRATIVE</u>			
Office expense		7,908.71	3,425.64
Dues and subscriptions		560.00	1,102.25
Professional fees		9,053.44	4,140.55
Total Administrative		17,522.15	8,668.44

Continued

TOWN OF CLINTON, LOUISIANA
COMPARATIVE SCHEDULES OF OPERATING EXPENSES (Continued)
PROPRIETARY FUNDS
YEARS ENDED DECEMBER 31, 2013 AND 2012

	Enterprise Funds	
	<u>Utility</u>	
	<u>2013</u>	<u>2012</u>
<u>DEPRECIATION</u>		
Depreciation - gas	\$ 39,750.00	\$ 39,750.00
Depreciation - water	27,979.55	27,979.55
Depreciation - sewer	42,750.06	41,936.02
Depreciation - other	13,173.45	18,453.16
Total Depreciation	123,653.06	128,118.73
TOTAL OPERATING EXPENSES	755,782.08	655,961.99

See Independent Auditors' Report

**TOWN OF CLINTON, LOUISIANA
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2013**

We have audited the financial statements of the Town of Clinton, Louisiana as of and for the year ended December 31, 2013, and have issued our report thereon dated July 30, 2014. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of and for the year ended December 31, 2013, resulted in an unmodified opinion.

Section I Summary of Auditors' Reports

1. Report on Compliance and Internal Control Material to the Financial Statements

Internal Control	Deficiencies	■ Yes
	Material Weakness	■ Yes
Compliance	Material to F/S	■ No

2. Federal Awards

Internal Control	Deficiencies	■ No
	Material Weakness	■ No
Compliance	Material to F/S	■ No

Section II Financial Statement Findings

2013.01 Compliance with Audit Law

Criteria. Louisiana Revised Statute 24:513 requires that an annual financial report or other type report be submitted to the Legislative Auditor within six months of the close of the fiscal/calendar year.

Condition. This deadline was not met for the year ended December 31, 2013.

Effect. The Town is not in compliance with applicable laws.

Recommendation. We recommend that management be cognizant of this deadline in the future and make every effort to comply.

Management's Response. We will make every effort to comply with this requirement in the future.

2013.02 Compliance with Budget Act

Criteria. Louisiana Revised Statute 39:1301 – Local Government Budget Act – dictates that actual revenues and other sources must be within 5% of budgeted amounts.

**TOWN OF CLINTON, LOUISIANA
SCHEUDLE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2013**

Condition. Actual revenues of \$161,737 in the streets and sidewalks fund fell short of the budgeted amount by \$234,400 or 31%.

Effect. The Town is not in compliance with applicable laws.

Recommendation. We recommend that management routinely monitor the actual to budget comparison reports and, with known facts of activities remaining to year-end, determine whether an amendment is necessary.

Management's Response. We will make every effort to comply with this requirement in the future.

2013.03 Compliance with Accounting Laws

Criteria. Louisiana Revised Statute 24:513 and 515 requires that accounting records be maintained in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements.

Condition. The books did not include all activities of the Town thereby not providing a complete and accurate accounting system in order to prepare annual financial statements.

Effect. The Town is not in compliance with applicable laws nor able to produce annual financial statements that provide evidence of legal compliance, financial position or results of operations.

Recommendation. We recommend that (1) the accounting software be updated to include up-to-date payroll information; (2) the budget be entered into the accounting software in order to utilize same as an effective management tool; (3) all transactions of the Town be entered into the accounting software by Town personnel; and (4) oversight of the financial transactions be accomplished with the outside accountant through an accountant's copy or on-site.

Management's Response. We began implementing the above recommendations as soon as the deficiency was brought to our attention. We will continue to enhance our reporting processes such that the Town's financial position and results of operations is complete and accurate at any given time.

Section III Federal Award Findings and Questioned Costs

N/A

Section IV Management Letter

None

**TOWN OF CLINTON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 2013**

Section I Financial Statement Findings

2012.01 Compliance with Governmental Budget Act

Condition. While total expenditures did not exceed the budgeted amount by more than 5%, general government expenses were greater than budgeted amounts by 28%. The actual beginning fund balance of \$95,417 was used to fund current year activity resulting in a deficit at year-end of \$10,842.

Effect. The Town did not comply with the Louisiana Local Government Budget Act.

Recommendation. We recommend that the actual to budget comparisons be monitored on a monthly basis such that any issues with excess spending can be dealt with timely. In situations where actual and anticipated expenditures are nearing budgeted amounts, management should consider the cause and act accordingly. We further recommend that a plan be developed to address the deficit fund balance in the general fund.

Disposition. Partially resolved.

2012.02 Surplus Property

Condition. A firearm was sold to a former employee of the Town that had not been declared surplus property.

Effect. The Town did not comply with applicable laws governing the disposal of public property, specifically the disposal of firearms.

Recommendation. We recommend that management consult with legal counsel to determine options for recourse to remedy this oversight.

Disposition. Resolved

Section II Federal Award Findings and Questioned Costs

N/A

Section III Management Letter

N/A

**TOWN OF CLINTON, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
YEAR ENDED DECEMBER 31, 2013**

Section I Internal Control and Compliance Material to the Financial Statements

2013.01 Compliance with Audit Law

Condition. The Town was not in compliance with the Audit Law.

Recommendation. We recommend that management be cognizant of this deadline in the future and make every effort to comply.

Management's Response. We will make every effort to comply with this requirement in the future.

2013.02 Compliance with Budget Act

Condition. Actual revenues of \$161,737 in the streets and sidewalks fund fell short of the budgeted amount by \$234,400 or 31%, resulting in non-compliance with the Budget Act.

Recommendation. We recommend that management routinely monitor the actual to budget comparison reports and, with known facts of activities remaining to year-end, determine whether an amendment is necessary.

Management's Response. We will make every effort to comply with this requirement in the future.

2013.03 Compliance with Accounting Laws

Condition. The books did not include all activities of the Town thereby not providing a complete and accurate accounting system in order to prepare annual financial statements.

Recommendation. We recommend that (1) the accounting software be updated to include up-to-date payroll information; (2) the budget be entered into the accounting software in order to utilize same as an effective management tool; (3) all transactions of the Town be entered into the accounting software by Town personnel; and (4) oversight of the financial transactions be accomplished with the outside accountant through an accountant's copy or on-site.

Management's Response. We began implementing the above recommendations as soon as the deficiency was brought to our attention. We will continue to enhance our reporting processes such that the Town's financial position and results of operations is complete/accurate at any given time.

Section II Internal Control and Compliance Material to Federal Awards

N/A

Section III Management Letter

N/A